के साथ-साथ बिहार को भी उन्होंने रिक्वेस्ट की है कि इसके बारे में पालिसी गाइडलाइन एनाऊंस की जाएं। मैं आपके माध्यम से मंत्री महोदय से जानना चाहूंगा कि क्या इसके लिए कोई टाइम बाउंड प्रोग्राम बनाया गया है और टाइम बाउंड प्रोग्राम बनाने के साथ साथ उन्होंने क्या सब राज्यों के मंत्रियों की मीटिंग बुलाकर उनको इसके बारे में विधिवत सूचना दी है यां सरकुलर्स भेजकर छोड़ दिया है या उसके लिए टेक्नोलाजिकल गाइडलाइंस या टेक्नालाजिकल सपोर्ट देने का कोई अनुदान दिया है या कोई एक्सपर्ट टीम बिहार में भेजी है कि किस प्रकार से म्यूनिसपल वेस्ट का नाम कन्वेंशनल सोर्स आफ एनर्जी में उपयोग किया जा सकता है?

SHRI M. KANNAPPAN: Sir, my Ministry, in various meetings of the Secretaries of the States, has been reminding the State Governments, including the State of Bihar, to announce the policy. But they have not announced the policy.

श्री एस.एस. अहलुवालिया: मेरे सवाल का जवाब नहीं आया सर। मैं फिर जानना चाहूंगा.....

Mr. Chairman, Sir, through you, I would like to know from the hon. Minister whether they have given any technological support to the State to prepare the policy guidelines on non-conventional sources of energy based on municipal waste and whether they have given any separate allocation for this purpose. If so, when was it given and how much amount have been allocated to the State of Bihar?

SHRI M. KANNAPPAN: In all the States, the Government is providing interest subsidy loans and capital subsidy of 50% on the projects. But in regard to Bihar there is no proposal pending at this point of time.

MR. CHAIRMAN: Now, next question; Question No. 449; Shri Prem Chand Gupta.

PLF of Thermal Power Plants

*449. SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that modernisation of existing power plants is the cost effective method of raising the Plant Load Factor (PLF) from sixty per cent to seventy-four per cent;

(b) whether the average Plant Load Factor of thermal power plants is sixty-two per cent; and

(c) if so, the action taken by Government in this regard?

THE MINISTER OF POWER (SHRI P.R. KUMARAMANGALAM): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) Plant Load Factor (PLF) of power plant depends upon various factors such as load demand, quality of coal fired *vis-a-vis* the design values, O&M practices, grid condition and renovation and modernisation (R&M). R&M of existing power plants is one of the cost effective methods to improve availability and hence the PLF.

(b) The average PLF for 1999-2000 (tentative) of thermal power stations was 67.3%.

(c) To improve the PLF of thermal power stations, the following main steps are being taken:—

(i) Demand side management.

(ii) Award for economic and efficient operation of plants.

(iii) Monthly operation Coordination Committee meetings of the Regional Electricity Boards.

(iv) Interest subsidy through Power Finance Corporation for—

(a) Improving O&M under PAGER scheme.

(b) Implementation of Renovation & Modernisation projects to improve the plant performance and also for life extension of the plants.

SHRI PREM CHAND GUPTA: Mr. Chairman, Sir, even after 50 years of independence, the country is still reeling under a serious power problem. The Ministry of Power recently brought out a full-page advertisement in the newspapers making big claims, describing achievements, and with a nice photograph of the handsome hon. Minister. But, Sir, the fact remains that during the last ten years, no new power project has come out either in the Eastern part of India, particularly, in States like Bihar and the North-Eastern States or in the northern part of India, like Haryana and UP, where the people have been facing a serious power shortage. Mr. Chairman, Sir, about one-and-a-half year ago, the Prime Minister went to Bihar and announced the setting up of two mega power plants of 2000 megawatt capacity each. I had asked the hon. Minister at that time as to what was the time-frame for implementation of these two projects. The House was informed that it was in progress and that the Government has

given priority to these two power plants. But nothing has been done so far. Mr. Chairman, Sir, this is all on paper. Well, it is a known fact that most of the State Electricity Boards are virtually bankrupt and unable to take up any project. There is a better and quicker way of increasing the capacity which the Government has also confirmed, *vide* their reply. I would like to know as to what has been done, so far as renovation and modernisation of the existing power plants is concerned, so that this immediate problem of power shortage could be tackled. We still have to go through May, June and July. Sir, the duration of power cut in major cities of this country, particularly in the North, is already four-six hours. I would like to know as to how long it will be before we ensure that this country is free from power cuts. I would like to know from the hon. Minister (a) what is being done, and how many projects have been taken up or identified for renovation and modernisation; and (b) what are the further plans for these two super thermal power plants which are to be set up in Bihar, one at Barh and the other at Hazaribagh.

SHRI P. R. KUMARAMANGALAM: Sir, I agree with the hon. Member that it is a sorry state of affairs that even after 50 years of independence, we are having power shortage. But, at the same time, power shortage is an indication of growth, in one way. We had 1300 megawatt of capacity when we became independent. Today, we are having 96,000 megawatt. I don't think it is something which we should look upon in such a manner. But it is a fact that during the last two decades, our capacity addition and the ability to add more capacity to our State Electricity Boards has drastically slipped. This is because their revenue generation has been poor. What the hon. Member has said about bankruptcy, I think is harsh, but the financial position of our State Electricity Boards is really in a very bad shape. This fact is well known to all. This is because, somewhere in the region, the revenue generation is well below 50% of what it really cost them to produce the power. Today, for every additional megawatt we add on to the circuit, we are really losing Rs. 35-50 lakhs every year. This is the reality which, I think, we should all admit, in the situation.

With regard to the specific question of 2000 MW plants, the three plants, for which the Prime Minister has laid the foundation stone in Bihar, let me assure the hon. Member that these are not only our priority projects, but they are our prime projects also because, out of these, two of them are, actually, what we call, pithead projects. We have reached a stage of completing the Environmental Impact Assessment(EIA). And, we have also made applications, with survey, to the State Government for land acquisition. From there, we would

move on to the next stage; that is, after we complete, what is called, the DPR, we would get the techno-economic clearance. All these would be over within a year. Once that is over, then comes the decision to start the land acquisition. And, I can assure him that in a period within the Tenth Plan, this will come into operation; in fact, these will be the prime Plants which Bihar will have. I would only seek my good friend's cooperation in using this good offices to see to it that the State Government extends all possible help for these projects to come up. I think, this can go above politics.

With regard to renovation and modernisation, there have been two phases. In the first phase, we have added 10,000 million units of additional generation per annum. We have spent about Rs. 500 crores, in terms of Central Loan Assistance, in the first phase, and it has been extremely successful. It covered 34 thermal power stations in the initial stage and 163 thermal units in the country. I can give the list. I am sure the hon. Member does not want me to read out the entire thing; 163 is a long list. In the second phase, we have 44 thermal power stations. I must admit that the second phase has slowed down, essentially, because the financial situation of the SEBs has further gone down, and they are not even able to meet their share of equity of 10 to 15 per cent. Considering this, we have, now, decided to give Rs. 1,000 crores as additional Central assistance to the SEBs to do renovation, modernisation and augmentation of expansion of the evacuation facilities. This has been announced in the Budget. We hope that it would give them some necessary funds. But, ultimately, the source of the problem is revenue generation. We need to address this problem seriously. It has now become a social problem; it is not just an economic issue. We have to ensure that the people do realise that it is only when they pay for power that additional power is going to get into the system. Otherwise, slowly, we will slide down even more. Today, we have a situation, as rightly pointed out, in the Northern region, where it is on precipice. If we allow this to go on, then we would only go from bad to worse. We need to address the issues of distribution, theft of power and T&D losses. That is the real question.

SHRI PREM CHAND GUPTA: Sir, the Minister has mentioned just now — I also mentioned about it—that the cost escalation of every additional megawatt is about eight per cent. So, every megawatt addition would mean an increase of 35 per cent in the cost because of the delay in implementation of project.

SHRI P. R. KUMARAMANGALAM: This is the loss per year. If we produce one MW by way of additional capacity, new capacity — I am not talking of

R&M capacity — we will, approximately, lose Rs. 30-50 lakhs a year, in terms of the revenue that comes in. This relates to what we spend *vis-a-vis* what comes in over a year.

SHRI PREM CHAND GUPTA: Mr. Chairman, Sir, I am sorry, I misunderstood him. Since he has clarified it, it is fine. But the fact remains that the annual cost per megawatt has increased by five to six per cent. In these two super power projects of 2000 MW, we have already lost two years. Hence, the cost of each project has gone up by almost Rs. 700 crores per year. Now, the question is, how long will this study take, and if the study has not been done, then why were these projects announced?

SHRI P. R. KUMARAMANGALAM: Sir, actually, environmentalists today rule the world due to global warning and all the problems that we face. The fact is that, they ask for the lastest EIA four season study, which means, you have to do your environmental impact assessment just a year before or the moment before you apply for your techno-economic clearance. There is a clearance existing for these projects but these are over seven years old. These projects were conceived seven years ago. It is not brand new today, picked out of the dustbin. These were there, very much kept on the shelf, but we took them on because we understand, today, since transporting coal increased the cost of power, pit-head projects are really the answer. We have taken them off, but environmental law insists that we must have the lastest four-season study, which means a full year study. We have gone through it; we have got the report ready, I can assure my friend that I appreciate his point of view, but there is only one small correction that I need to make. Fortunately, so far as coal-based power plants are concerned, the costs have not been zooming. They have been actually coming down, internationally, and we have been able to get better rates in the last couple of years, four-five years, than we got over a decade ago. But that does not mean that we delayed the project. We need this power desperately and we believe, these projects, because of their size, of their placement and their design, would give us a very reasonably-priced power.

SHRI PREM CHAND GUPTA: Mr. Chairman Sir.....

MR. CHAIRMAN: No, no.....

SHRI PREM CHAND GUPTA: Sir, my second supplementary.....

MR. CHAIRMAN: No. no; your second supplementary is over.

SHRI PREM CHAND GUPTA: Sir, it is a very relevant one.

MR. CHAIRMAN: No. no. Mr. N. K. P. Salve.

SHRI N. K. P. SALVE: Sir, I would not grudge the photographs of the Power Minister, as some other Member has done. He happens to be the son of a great friend of mine and the grand-son of a great Congress Leader. But Sir, it is an important question. Poor PLF means much higher cost to the consumers, and the heart of the matter is in the last sentence of his reply to the main question, he has said: "R and M, *i.e.* renovation and modernisation of existing power plant is one of the cost effective methods to improve availability". Undoubtedly, Sir, this is correct. This cannot be done without there being sufficient funds, and he has also conceded that the state of finances of the State Electricity Boards is in an extremely precarious condition and they cannot do it. Sir, very bold measures are required, and he has not spelt out any bold measures. I want to put a question. All these are marginal. Sir, the other areas that he is referring to are marginal; nothing will come out of it. If you are really serious about it, may I know of him, Sir, whether he is willing to give over th NTPC, take over by the NTPC of the power plants in the State where the PLF is below 45 per cent, belonging to the State?

SHRI P. R. KUMARAMANGALAM: Unfortunately, Mr. Chairman, Sir. or fortunately — whichever term one may like to use; it depends on which side of the fence one is — power is a subject which is in the Concurrent List. Power is a concurrent subject constitutionally. Both the State and the Centre have a say in the matter. It is true that the NTPC's power plants have a very good PLF, but not necessarily always. If one looks at some of the power plants in the Eastern Region, they have a poor PLF because there is a poor demand. PLF is plant load factor, and it is dependent also on demand. If there is a demand only, we can produce power. The Eastern Region is surplus in power. But, fortunately, the NTPC is one of the prime institutions which has shown the world that a public sector power generating plant can work very economically and efficiently. Sir, if I may submit, we are putting out a thousand crores a year. It is not a small amount of money, which on leveraging could come to 3000, in fact 4000 crores, for rennovation and modernisation. If we do this for the next four years, we should be able to complete almost all our R&M requirements. We are already not too bad on our PLF. We have 67% on an average.

SHRI N. K. P. SALVE: Are you talking about yourself or the States?

SHRI P. R. KUMARAMANGALAM: No; no. It is all-India average. 67.3% is the all-India average. Nationally, the NTPC has 74%. But let us not compare that. In fact, the regions that are bringing our average down are the Eastern

Region, which has 45.9%, and the North-Eastern Region, which has 17.9%. In the North-Eastern Region, there are multiple reasons. But in the Eastern Region, It is essentially because its evacuation of power was not planned properly. We are now investing substantially in the evacuation of power. We are going to evacuate almost 5000 MW of power out of the Eastern Region. We have heavily invested through the power grid. In the next two years, this problem should sort out. I believe that within the next three to four years, we should be able to bring our PLF to international standards of 70% and above.

SHRI B. J. PANDA: Sir, the hon. Minister has rightly mentioned grid condition as one of the factors responsbile for PLF. I am also very glad that he mentioned about the investments taking place for evacuation of power from the Eastern Region which, in fact, is very surplus. In fact, grid condition is a fundamental factor.....

MR. CHAIRMAN: You ask the question. Otherwise, the time will be over. You need not explain the question.

SHRI B. J. PANDA: Sir, the grid condition in the Eastern Region, which is surplus in power, is atrocious. The Indian Electricity Act statutorily lays down the grid to operate at 50 Hertz and provides for a maximum variation of 3%, which can go up to 51.5 or 48.5 Hertz. In fact, we see in the Eastern Region sometimes a variation of up to 100% over and above what is permitted. This is atrocious and this has been commented upon by experts in the field. The hon. Minister has mentioned that regular coordination takes place between the regional and State Electricity Boards. This is true. But the question is, how effective is this? A cursory glance at some of their proceedings will show a degree of haplessness in the authorities. My question is this. What steps is the hon. Minister planning to make this more effective and to make it happen?

SHRI P. R. KUMARAMANGALAM: Sir, I am grateful to the hon. Member for having raised this. Since there is shortage of time, I will quickly come to the point. Today, the Central Regulatory Authority, in other words, the Central Electricity Regulatory Commission, is authorised to look into the regulation and bringing discipline among the various generators and distributors. The regional Load Despatch Centre, which is really managed by the power grid, has in the case of the NorthEastern Region and the Eastern region, given notice to all the participants that if they do not adhere to discipline, then they will be constrained to move to the regulatory authority for penal action. I think they are aware and they are falling in line. It is no longer a case like earlier before the law was passed, where haplessness or helplessness existed. Now, they will adhere

to the law. Otherwise, the SEB Chairman themselves might face personal punitive action.

SHRI DIPANKAR MUKHERJEE: The Plant Load Factor is a misleading factor.

It has been clouding the Parliament for so many years now. For the PLF, the major condition is what the peak demand is, what the average demand is. The major problem facing all the States, I find, is that in the night the load is very less, whereas the peak load is very high, with the result that there is a big gap between the right load and the peak load. That is why the PLF cannot be assured. you are taking more and more acquisition of power plants without asuring the Plant Load Factor. My only question to the hon. Minister is this. What steps is he thinking of on the quesiton of demand management so that this gap between the peak load and the average load and the right load and the peak load can be reduced further. This is an immediate steps to increase the PLF. What steps is he taking?

SHRI P. R. KUMARAMANGALAM: We had a series of conferences with the SEBs and the State Governments on the demand side management. I think what the Member has said is very correct. PLF is becoming a misnomer. It can mislead people into thinking that this means efficiency or inefficiency. In fact, it is not necessarily so. The truth of the matter is that we have in our country extreme peaks and extreme low base loads. In fact, Maharashtra is a very good example. It has 1200 MW surplus during base load, and sharp 1400 MW down during peak load. They have a variation at extemes. So is Delhi. What we need to do is not only demand side management, but also provide for some peaking power. Most thermal stations balk at it. Therefore, what the CERC has done today is that they have started seriously considering dual tariff, that is, dual timing metering and dual tariff. For peaking time, you will pay more for power so that you learn to discipline yourself; and during other times, you pay less for power because if you consume at that time, you will really help us. That is being worked out.

MR. CHAIRMAN: Question Hour is over.